

Message Text

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PAGE 01 BAGHDA 00996 151048Z
ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 L-03 TRSE-00 AID-05 CIAE-00
INR-07 NSAE-00 PM-04 NSC-05 SP-02 SS-15 /059 W
-----151056Z 075322 /23

P R 150845Z JUN 77
FM USINT BAGHDAD
TO SECSTATE WASHDC PRIORITY 4675
INFO AMEMBASSY ABU DHABI
AMCONSUL ALEXANDRA
AMCONSUL ALEXANDRA
AMEMBASSY BEIRUT
AMEMBASSY BEIRUT
AMEMBASSY CAIRO
AMEMBASSY DAMASCUS
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY KUWAIT
AMEMBASSY MANAMA
AMEMBASSY MUSCAT
AMEMBASSY TEHRAN
AMEMBASSY TEL AVIV
AMEMBASSY TRIPOLI
AMEMBASSY TUNIS
USDOC WASHDC

C O N F I D E N T I A L BAGHDAD 0996

USDOC FOR CAGNE

E.O. 11652: GDS
TAGS: ETRD, EALR, IZ
SUBJECT: IRAQI BANKS MAY BE REACTIVATION

REF: BAGHDAD 882

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1. SUMMARY: REPRESENTATIVES OF TWO U.S. BANKS HAVE CALLED
AT USINT DURING THE PAST WEEK. THE INDICATE THAT GOI
OFFICIALS IN CENTRAL BANK OF IRAQ AND GOVERNMENTAL RAFIDAIN
BANK, THE SOLE COMMERCIAL BANK IN IRAQ, MAY BE IMPLEMENTING
PROCEDURES IN REACTION TO U.S. ANTI-BOYCOTT LEGISLATION.
IF CORRECT, THIS WOULD BE FIRST INDIACTION OF IRAQI
REACTION TO U.S. LEGISLATION. END

SUMMARY.

2. THE FIRST REPRESENTATIVE INFORMED

USINT THAT LETTERS OF CREDIT ISSUED BY RAFIDAIN BANK IN MAY, 1977, CONTAIN BOYCOTT LANGUAGE THAT BANK HAD PREVIOUSLY BEEN ABLE TO HAVE DELETED. CLAUSE APPARENTLY REQUIRES NEGATIVE CERTIFICATE OF ORIGIN OF PRODUCTS. OTHER BANKERS WHO VISITED USINT DURING PAST SEVERAL MONTHS HAVE GENERALLY ASSERTED THAT GOI LETTERS OF CREDIT WERE QUOTE NOT A PROBLEM UNQUOTE. HE SAID RAFIDAIN BANK OFFICIALS REFUSED TO CONSIDER AN ALTERATION OF THE NEW OFFENDING CLAUSE. HOWEVER, SAME OFFICIALS SUGGESTED HIS BANK COULD ANTICIPATE INCREASED IRAQI BUSINESS AS GOI WILL NO LONGER DEAL WITH BANK OF AMERICA OF CALIFORNIA IN VIEW OF THE LATTER'S ADHERENCE TO THE CALIFORNIA BOYCOTT LAW.

3. ON JUNE 14, REPRESENTATIVE OF ANOTHER MAJOR BANK INFORMED USINT THAT GOI OFFICIAL OF THE CENTRAL BANK, DURAIE THABIT, HEAD OF THE CREDITS AND FOREIGN PAYMENTS DEPARTMENT, INFORMED HIM THAT BANK WOULD PROBABLY NOT EXTEND ADDITIONAL BUSINESS TO HIS BANK AND THAT QUOTE MEASURES ARE NOW UNDERWAY UNQUOTE TO REDUCE IRAQI DEALINGS WITH U.S. BANKS. THABIT ADDED THAT U.S. BANKS AND COMPANIES STAND TO LOSE MORE THAN IRAQ AS A RESULT OF THE RECENT LEGISLATION.

4. COMMENT: IF CORRECT, THESE REMARKS BY U.S. BANK
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REPRESENTATIVES ARE THE FIRST INDICATION OF THE PENDING IRAQI REACTION TO THE NEW U.S. LAW. USINT WILL REPORT FURTHER DEVELOPMENTS AS THEY OCCUR AND WOULD APPRECIATE ANY INFORMATION DEPARTMENT RECEIVES FROM U.S. BANK COMMUNITY ON THIS SUBJECT.
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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
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Concepts: LAW, GOVERNMENT REACTIONS, BOYCOTTS, ESTABLISHMENT OF OFFICES, BANKS, LOAN GUARANTEES
Control Number: n/a
Copy: SINGLE
Sent Date: 15-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: GS
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Litigation Codes:
Litigation History:
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